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TRADE AND DEVELOPMENT BOARD
COMMISSION ON INVESTMENT, TECHNOLOGY AND RELATED FINANCIAL ISSUES
Expert Meeting on Mergers and Acquisitions: Policies aimed at Maximizing the Positive and Minimizing the Possible Negative Impact of International Investment
Geneva, 19 - 21 June 2000
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. Provisional agenda

1. Election of officers

2. Adoption of the agenda

3. Mergers and acquisitions: policies aimed at maximizing the positive and minimizing the possible negative impact of international investment

4. Adoption of the outcome of the Meeting

GE.00-50950

II. Annotations to the provisional agenda

Item 1 - Election of officers

1. In accordance with UNCTAD practice, the Expert Meeting may wish to elect a Chairperson and a Vice-Chairperson-cum-Rapporteur.

Item 2 - Adoption of the agenda

2. The provisional agenda for the Meeting is set out in section I above. A detailed programme will be made available at the Meeting.

Documentation

TD/B/COM.2/EM.7/1 Provisional agenda and annotations

Item 3 - Mergers and acquisitions: policies aimed at maximizing the positive and minimizing the possible negative impact of international investment

3. At the consultations of the President of the Trade and Development Board on 31 March 2000, it was decided to convene an expert meeting on "Mergers and acquisitions: policies aimed at maximizing the positive and minimizing the possible negative impact of international investment".

4. M&As (including privatizations involving FDI) have become a driving force of FDI, accounting for a high share of annual world FDI flows. Although the importance of M&As has largely been confined to FDI among developed countries, they are becoming important in developing countries as well. In countries in transition, both greenfield projects and foreign acquisitions (especially in the form of privatizations) are relatively new. As with globalization generally, the impact of M&As on development can be double-edged and uneven. Indeed, perhaps to a greater extent than most other aspects of globalization, cross-border M&As have aroused questions as to the balance of their benefits and costs for host countries, as well as the appropriate policy response. So far, the analysis of the impact of FDI on development has rarely, if at all, distinguished between greenfield FDI and FDI though M&As, implying that their impact is by and large similar.

5. As the importance of M&As in FDI inflows increases, developing countries and countries in transition face questions related to the impact on their development process of M&As as a form of FDI entry, and the implications for policy. The growing incidence of cross-border M&As highlights the need for a clearer understanding of the impact of M&As on development.

6. On the basis of country experiences and an issues paper prepared by the UNCTAD secretariat, a number of questions will be examined, especially as regards the impact of cross-border M&As (including in the context of privatization) compared to greenfield FDI on development and its policy implications. These questions include: what are the forces driving cross-border M&As? What are host country concerns as regards cross-border M&As (compared with greenfield FDI)? What are the experiences of countries – and especially those of host developing countries – with cross-border M&As in terms of positive and negative effects, especially in the areas of capital supply, technology, employment, skills, organizational and management practices, exports and imports, market structure, forward and backward linkages, the impact on productive capacity and productivity, economic restructuring and the performance of host countries? How have Governments dealt with cross-border M&As and why? Are cross-border M&As discouraged or encouraged and, if so, what types and how? How have regulatory regimes concerning cross-border M&As evolved over time, including in the context of the evolution of FDI regimes? What policy measures have Governments taken to maximize the positive and minimize possible negative effects? It is expected that the Meeting will provide experts' views to the Commission on Investment, Technology and Related Financial Issues for its policy discussions.

7. To facilitate the discussions, the UNCTAD secretariat has prepared an issues paper entitled "Cross border M&As: trends, impact on development and policy implications" (TD/B/COM.2/EM.7/2).

Documentation

TD/B/COM.2/EM.7/2	Cross border M&As: trends, impact on development and policy implications -- an issues note by the UNCTAD secretariat

Item 4 - Adoption of the outcome of the meeting

8. The Expert Meeting may wish to have a substantive outcome for the Commission at the end of the Meeting. This could be in the form of a summary of the discussions. The final report will be compiled under the authority of the Chairperson after the conclusion of the Meeting.